

GOCHNOUR & ASSOCIATES, INC.

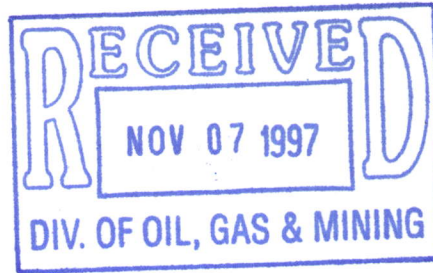
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M/037/088

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November 6, 1997



Mr. Anthony Gallegos
State of Utah
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

RE: Lisbon Valley Project Update (Field Activities 1996)

Mr. Gallegos:

Based upon the Bureau of Land Management's (BLM's) requests for additional information on the quality of water in the "Navaho Formation" aquifer in the vicinity of the Lisbon Valley Project, Summo USA Corporation (Summo) has expedited collection of water quality and geochemical information required for the project. This information was originally required to be collected as mining progressed, as part of the Record of Decision for the Project. In an attempt to drill one of the monitor wells (97 PW2), water was encountered in the Morrison Formation. Summo chose to complete this well as a dewater/supply well. The location of the drilled sites are depicted on the attached map (Attachment 1). These locations have been developed in consultation with Summo's Geologist (Chuck Bauer), Adrian Brown Consultants, the BLM and the Utah Division of Environmental Quality (DEQ).

In addition to the drilling of the groundwater monitoring wells, and the one dewater/supply well, Summo has also drilled thirteen (13) reverse circulation test holes to gather material (cuttings) from representative rock types that will be mined for geochemical analysis. Portions of the drill cuttings are being analyzed for solid phase analysis and Meteoric Water Mobility Testing (MWMT). Summo will analyze these materials for the eight (8) parameters (antimony, arsenic, cadmium, copper, molybdenum, selenium, uranium and zinc) which are outlined in the Record of Decision (ROD, p. 23). Summo will also analyze for the following additional parameters: TDS, pH, conductivity and alkalinity. The locations of the drill holes for geochemical purposes are also depicted on the attached map.

The equipment that was utilized to perform these activities included two drill rigs and support vehicles. Minor earthmoving equipment (dozer and backhoe) were used to provide safe access, a level drilling surface, sumps to contain excess drill cutting material, and for reclamation activities.

No cultural resources or sensitive species of vegetation or wildlife were impacted by these activities. Following completion of the drilling activities, the areas will be cleaned up. Geochemical drill holes will be graded, contoured, and seeded. Monitor wells will remain during the life of the project. All support equipment and supplies will be removed from the site. The reclamation bond submitted to the Division of Oil Gas and Mining is more than adequate to cover reclamation of these activities.

Once all data from drilling is in and analyzed, Summo will present the information to your office for review and comment.

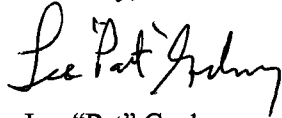
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If you have any questions regarding this update, please contact me at the listed letterhead number.

Sincerely,

A handwritten signature in cursive script that reads "Lee Pat Gochnour".

Lee "Pat" Gochnour
Principal

Attachment

cc: Mr. Robert Prescott - Summo USA Corporation



TITLE BLOCK OF ATTACHED MAP

M/037/088

50,000E

55,000E

3 E

SUMMO USA CORPORATION

Lisbon Valley Project

Monitor Well and

Geochem Drill Hole Locations

San Juan County, Utah

October 1997

lvmonit.dwg

- ⊗ 97R3 Proposed Geochem drill hole
- ⊗ MW97-13 Proposed Monitor well (Navaho)
- ⊗ 97RW2 Dewater/SupplyWell